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STATE AID TO MINING

1. Introduction

The development of the mineral resources of the several States is fostered and encouraged by the respective Governments in various ways. It is proposed to deal below only with the more direct and special methods by which assistance is rendered for developmental or other purposes, and not to include herein particulars of certain general developmental works found in nearly all civilised countries, such as geological surveys and schools of mines; there is also, as a general rule in all States, some provision for free assays for prospectors. Particulars as to the total expenditure on mining development in each State from loan funds are given in the section of this book dealing with the subject of **State Finance** (see Section XX. 4); it should be noted, however, that in addition considerable sums have been spent in some of the States on Government aid to mining out of the consolidated revenue.

2. New South Wales

Though there is no Act in force in this State specifically relating to the provision of loans in aid of mining development and prospecting, various arrangements have been made for rendering financial assistance to prospectors and others.

(i.) **Prospecting Votes.** Since the year 1887 annual appropriations have been made by Parliament to "promote prospecting for gold or other minerals, and to encourage the opening of new goldfields." The total amount expended under these votes to the 31st December, 1910, was £416,215. During the year 1910 aid was granted by the Prospecting Board in 208 cases, and refused in 158, while the total amount expended from the vote during the year was £11,280.

(ii.) **Boring Plants.** No special provision exists in New South Wales for the expenditure of funds on boring (or minerals, though on several occasions, as, for instance, where the proving of the occurrence of coal in certain localities was considered to be a question of national importance, diamond drills have been provided from special votes.

(iii) **Government Batteries.** Provision has been made for the erection of crushing batteries by the State, and also for assistance to prospectors in the erection of plants. In the latter case the amount advanced is to be repaid by agreement with the Secretary for Mines.

3. Victoria

State assistance to mining in Victoria is provided for by the Mining Development Acts, 1896 to 1911. The original Act provided for the advances and grants to be made out of the sum of £140,000 raised by the issue of Treasury bonds, but an amending Act of 1898 provided that they should be paid also out of any moneys authorised from time to time. Various Acts have been passed for the appropriation of money, generally out of surplus revenue, for mining development or for special purposes in connection there, such as the equipment of Schools of Mines, the purchase of cyanide patents, of a metallurgical laboratory, or of boring machinery. A considerable amount of boring for the purpose of locating mineral deposits is also carried out by the Government.

(i.) **Advances to Miners for Prospecting.** Any two or more persons in combination may apply for an advance not exceeding £250 for the purpose of assisting them to prospect for any minerals or metals, and, subject to the usual evidence as to **bona fides**, undertakings to secure repayment, and proof of previous expenditure of £1 for every £1 granted, the Minister may recommend the granting of the loan.

(ii.) **Advances to Companies for Development of Mining.** Under Part I. of the Act of 1896, a Company may apply for a loan for the purpose of **(a)** carrying on pioneer mining, **(b)** procuring and erecting machinery, and **(c)** providing all works necessary for carrying on such pioneer mining. The loans to any one company may not exceed £10,000, and are subject to the same conditions as advances to miners (see (i.) above). Under the amending Act of 1908 a sum of not more than £50,000 is authorised to be advanced by way of loan to companies for development of deep alluvial or of deep quartz mining. Evidence and information must be furnished by an applicant for a loan as to the history of the company the nature of the land upon which it is intended to carry on mining operations, the machinery and appliances which it is proposed to use, and as to the estimated cost of such machinery; and a statement must be provided shewing the period of time over which the advance is to extend Applications are referred by the Minister to the Government Geologist for report and are then dealt with by the Executive Council. Interest on loans at the rate of 3½ per cent. per annum must be paid half-yearly, and the payments to the Treasurer form a first charge on the profits and assets, except uncalled capital, of the company.

(iii.) **The Establishment of Plant for Testing Metalliferous Material.** Government testing plants may be established only in districts where there is no battery where one is crushed or dealt with for payment. If the Minister be of opinion that there is a necessity in the interest of the mining industry for the establishment of a resting plant in any district, he may submit to the Treasurer such evidence as in his opinion is sufficient to justify the expenditure necessary to procure and erect the same, and the Treasurer may recommend the Governor to grant, and the Governor may grant, the necessary funds. The purchase, transport, erection, and removal of any testing plant and the rates to be charged for its use must be in accordance with regulations made under the Act.

Of the twenty-four batteries which had been erected by the Government up to the end of the year 1910, sixteen have been managed by local committees, without expense to the Mines Department as far as the cost of working is concerned, while the remaining eight were worked directly under the supervision of departmental officers. The quantity of ore treated during 1910 was 2827 tons for a yield of 2349 ozs. of gold, showing an average of 16½ dwts. per ton. The total cost of working and maintenance during the year amounted to £2982, and the sum received from the public for crushing was £841, giving a net cost of £2141. From 1897, when the first battery was erected, to the end of 1910, a total of 36,074 tons, yielding, 22,313 ozs., has been treated. A sum of £22,705 has been spent on the erection of the twenty-four plants; the amount received for crushing was £7906, and as the cost of maintenance was £30,012, the net cost amounted to £22,107.

Diamond drills are hired out by the Government under specified conditions to companies at a

rental of from £2 to £4 per month according to size and kind of drill, £299 being lodged as security to cover breakages, and hand-boring plants are also hired under similar conditions at a rental of 10s. per month.

(iv.) **Construction of Reeds and Tracks for Mining.** Under Part II. of the Act of 1396 the Minister may, subject to certain conditions, on the application of the council of any shire situated in an outlying or mountainous part of Victoria, construct a road suitable for the transport of mining machinery and appliances to any locality where mining is being carried on by more than one company, or by holders of miners' rights.

(v.) **Construction of Races and Dams.** Under Part IV. of the Act of 1896 the Minister is empowered, subject to the report of the Government Geologist and the Chief Engineer of Water Supply, and to the approval of the Treasurer and Governor in Council, to construct races and dams for working alluvial deposits for gold, to divert water for such uses subject to all existing rights, and to make regulations for the payment of rates for the use of the water.

(vi.) **Dissemination of Information.** Part VI. of the Act of 1896 provides that if the Minister be of opinion that it is advantageous to expend money for the purpose of disseminating information in Great Britain and other countries as to the mining resources of Victoria, and for holding in Victoria a public exhibition of mining machinery and appliances, he may recommend the Governor through the Treasurer to grant moneys necessary for the purpose.

(vii.) **Expenditure on Government Aid to Mining.** The following statement shows the total expenditure under the Mining Development and Surplus Revenue Acts up to the end of the year 1910.

VICTORIA - EXPENDITURE ON GOVERNMENT AID TO MINING (TO END OF YEAR 1910)

Particulars	Advances to Mining Companies	Advances to Prospectors	Boring for Gold and Coal	Roads and Tracks	Erection of testing plants	Miscellaneous	Total
Amount £	142,977	58,429	59,231	69,425	22,705	48,224	400,991

In addition, the expenditure from votes from the 30th June, 1904, to the 30th June, 1910, was £76,771 on boring for gold and coal, and £16,417 on testing plants.

The repayments by companies of the loans advanced amounted on the same date to £17,851, and by parties of miners to £1977. A sum of £5292 has been repaid for part of the cost of boring, and also hire of plant and loss of diamonds. Several companies have discontinued operations, and their security in the way of plant was taken possession of and sold for a total of £13,956. The amount of loans was, however, £30,626. and thus a loss of £16,670 was incurred.

4. Queensland

Special assistance granted to the mining industry in this State may be conveniently dealt with under the headings specified below: - Assistance to prospectors Assistance is granted in connection with sinking wells and providing equipment or rations for small parties of miners, and in some cases for prospecting or developing lodes Such assistance is granted directly by the Minister, sometimes to a local authority, sometimes through the warden, and sometimes to miners or progress associations.

(ii.) **Grants for Roads amid Bridges to Gold and Mineral Fields.** These grants are made either for the purpose of repairing existing roads and bridges or of constructing new ones; they are made with Executive approval, generally to local authorities.

(iii.) **Loans in aid of Deep Sinking.** These loans are made with the approval of the Executive in order to prove lodes at a depth or for diamond drilling.

(iv.) **The Mining Machinery Advances Act 1906.** Under this Act loans may be made for (a) procuring and erecting machinery for carrying operations, or (6) procuring, erecting, or removing and re-erecting plant for treating minerals. Loans are granted by the Minister on the approval of the Governor in Council, interest at a rate not exceeding 5 per cent. per annum being charged. There is no limit to the amount which may be advanced, but the borrower must contribute £1 for £1. towards the work for which the maim is granted. The borrower must also a bill of sale or mortgage over the machinery or property, but the moneys advanced are not recoverable against the borrower personally, but only against the secured property.

(v) **Amounts Granted or Advanced, 1910.** The total amount granted or advanced under the several systems above mentioned to the end of 1910 was as follows

QUEENSLAND - PARTICULARS OF AMOUNTS GRANTED OR ADVANCED,1910

Purposes for which Granted, etc.	Prior to 1910	During 1910	Total to end of 1910
Assistance to prospectors	30,398	1,391	31,789
Grants for roads and bridges	15,314	3,732	19,046
Loans in aid of deep sinking	58,050	4,770	62,820
Advances under Act of 1906	3,751	763	4,514
Total	107,513	10,656	118,169

In addition special sums are occasionally granted or advanced us certain cases for example, in 1908 sums of £2460 and £306 were advanced for the purposes of oil boring and coal prospecting, respectively: while in 1910, there was a special allowance of £3506 for boring for coal.

5. South Australia

By regulations made in February, 1894, and amended in January, 1899, under Part VI. of the Mining Act of 1893, provision is made for State aid to mining by way of (i.) Rewards to discoverers, (ii.) subsidies, and (iii.) loan of boring plant.

(i.) **Rewards to Discoverers.** Rewards may be paid to the discoverer (being the holder of a minors right) of any new mineral district, or of any new and valuable deposits of metals, minerals, coal, or oil. The amount of the reward depends upon the distance of the discovery train the nearest payable mineral deposits already worked, and upon the number of men employed on the dew field within six months after the report of the discovery has been made; the reward may not in any case exceed £1000. No rewards have yet been granted.

(ii.) **Subsidies.** Applications for subsidies may be made by any person engaged in deep sinking, prospecting, or mining. No subsidy may exceed 100 per cent. on she amount proposed to be expended by the applicant, and the total grant to any one person or company may not exceed £1000. Fifty per cent, of the net profits must be applied in payment of the subsidy, and a bill of sale of all chattels belonging to the applicant and used in connection with the mine must be executed. If an applicant for assistance is mining on private land, the granting of a subsidy is subject to additional conditions. The total amount advanced by subsidies up to the 30th June, 1911, was £53,822 while the total repayments to date amounted to £6112. Portion of the outstanding debit is represented by machinery that has fallen into the hands of the Government.

(iii.) **Loan of Boring Plant.** The regulations also provide for the loan of diamond drills. There are two Government boring plants in South Australia, the capital expenditure thereon up to the 30th June, 1909, amounting to £6057.

(iv.) **Government Batteries and Cyaniding Plants.** There are four Government batteries amid cyanide works in South Australia, the capital cost thereof amounting to £14319. Up to the end of the year 1910 the total quantity of ore treated by these plants amounted to 18,338 tons, from which 15,207 ounces of gold, valued at £55,669, were extracted.

6. Northern Territory

In the Northern Territory, Government assistance in the form of free rations is granted to prospectors and free assays are made. There are three Government boring plants, and two batteries and cyanide plants (both the latter being situated in the Macdonnell Ranges). The total amount of ores treated at the batteries up to the end of 1910 was 11,349 tons, from which 14,067 ounces of gold, valued at £52,133, were recovered.

7. Western Australia

In this State, Government aid to mining is provided both under the Mining Development Act 1902 and under a more general vote for developmental purposes. A large amount of general developmental work has been carried out by the Government, particularly in regard to water supply; particulars of the eastern goldfields water supply scheme may be found in the section of this book dealing with Water Conservation and Irrigation (see Section XIV. § 1). The Act of 1902, referred to above, is in many respects similar to the Victorian Act of 1896, its chief provisions may conveniently be considered under the headings indicated below.

(i.) **Advances to Prospectors.** The Minister may, after obtaining a report from a professional officer, grant a loan not exceeding £300 to any miner who applies for assistance to enable him to prospect for gold or minerals. An applicant must furnish the necessary descriptions, statements, and information, verified by statutory declarations, and for every £1 advanced the borrower must expend £1 in work, labour, or material.

(ii.) **Advances for Pioneer Mining.** The purposes for which, and the conditions upon, which, advances may be made are similar to those specified under Part 1 of the Victorian Act of 1890 (see 3 ii. above); the amount advanced to any one borrower is limited to £1000.

(iii.) **Establishment of Testing Plants.** Plant for crushing, ore dressing, cyaniding, or smelting may either be established by the Minister or he may subsidise companies who are willing to erect and work such plant for the public at prescribed rates. Any such plant may only be erected in a district (a) in which large deposits of ore exist, (b) where existing plant for treating deposits in bulk at reasonable rates is not available, and (c) where the establishment of such plant is necessary for the development of mining.

In 1910 there were thirty-four State batteries and thirty-four cyanide plants in operations; there were also five slime plants and two tin dressing plants. The total amount expended on the erection of State batteries up to the end of 1910 was £91,982 from revenue, and £192,319 from loan, giving a total of £284,301. During the year receipts amounted to £75,975, and working expenditure to £77,458.

The total value of gold and tin recovered to the end of 1910 at the State plants was £3,480,671, resulting from the treatment of 784,407 tons of gold ore and 45,492 tons of tin ore.

(iv.) **Assistance for Boring.** Subject to certain conditions the Minister may agree to pay not more than half the cost of boring either for gold, minerals. or water, and with the approval of the Governor and after receiving a report from the proper officer that such boring is in the general interest of the Stare, he may pay the whole cost.

(v.) **Miscellaneous.** The Minister may advance or himself expend moneys (a) to drain any area, (b) to assist mining by sinking or cross-cutting, (c) to sink shafts for minerals at great depths, and (d) to provide means of transport for miners to prospect unproved country.

(vi.) **Particulars of Advances, 1910.** The following statement shows the sums advanced during the year 1910 under provisions of the Mining Development Act:

WESTERN AUSTRALIA. - ADVANCES MADE IN 1910 UNDER MINING DEVELOPMENT ACT, 1902

Particulars	Advances in Aid of Mining work and Equipment of Mines	Advances in Aid of Boring.	Subsidies to Crushing Plants	Providing Means of Transport	Total
Amount £	4,873	276	930	202	6,281

In addition to the above, amounts totalling 1620 were expended from the Mining Development Vote on various matters, such as water supply, roads, subsidies to assist cartage of ore, drainage, timber tramways, and subsidies for development work done below 100 feet level in small mines. Subsidies to the extent of 1240 were paid to private crushing plants, the condition being that they crush for the public at fixed rates. The receipts under the Mining Development Act, exclusive of interest payments, amounted to 2333 for refunds of advances. 141 for sales of plant, and 728 miscellaneous - a total of 3202.

8. Tasmania

In Tasmania provision is made for State Aid to mining under the Deep-Sinking Encouragement Acts 1899, 1900 and 1901. Under these Acts sums of 5000,2000 and 1000 respectively were provided for assisting persons and companies to sink shafts or to drive tunnels below a specified depth, the amount advanced in any particular case varying according to the amount expended by the borrower. The total amount advanced to October, 1909, was 6861, granted to five companies in sums ranging from 682 to 1452, leaving an unexpected balance of 1139. None of the companies to whom the advances were made has been successful, and consequently none of the sums advanced, which were to be repaid out of profits, has been refunded. A sum of 200 was placed on the expended on the £ for £ principle, not exceeding 50 in any one case.

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